GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2143
ANSWERED ON:01.12.2000
INDIA MILLENNIUM DEPOSIT SCHEME
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Will the Minister of FINANCE be pleased to state:

(a) the total amount of foreign exchange received by the State Bank of India under the `India Millennium Deposit Scheme`, ` Resurgent India Bond` and other such instruments;

(b) the period over which these deposits are to mature and the rate of interest to be paid on such deposits,

(c) the extent to which these deposits are likely to be helpful in strengthening rupee against dollar;

(d) whether it is a high cost foreign exchange debt; and

(e) if so, the steps taken to review such attempts to raise foreign exchange through badly disguised high cost debt?

Answer

MINISTER OF STATE IN THE MINISRTY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) & (b) Amounts of foreign exchange received by SBI under the various special deposit programmes for NRIs, period and the rates of interest are as under:

Bond/Deposits	Amount (million)	Period of maturity	Rate of interest
NRI Bonds (1988)	USD 91 mio	7 years	11.50% (USD
NRI Bonds (1990)	USD 261 mio	7 years	11.00% (USD)
India Development Bonds (1991)	USD 1610 mio	5 years	9.50%(USD) 13.50% (GBP)
Resurgent India Bonds (1998)	USD 4231 mio	5 years	7.75% (USD) 8.00% (GBP) 6.25% (DEM)
India Millenium Deposits (2000)	USD 5514 mio	5 years	8.50% (USD) 7.85% (GBP) 6.85% (EUR)

(c), (d) & (e) The rates of interest offered on the bonds have been reasonable considering the interest rate prevailing in international market at the time of launch. Foreign currency proceeds of the bonds have contributed to the enhancement of Foreign Exchange Reserves and thus helped reduce volatility in foreign exchange rates.